

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6637

BILL NUMBER: SB 175

NOTE PREPARED: Jan 22, 2008

BILL AMENDED:

SUBJECT: INDOT Bidding Procedures.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill changes the requirements for bids that the Department of Transportation (INDOT) may accept for state highway projects.

Effective Date: July 1, 2008.

Explanation of State Expenditures: Raising the threshold for awarding contracts would save time and the associated contract costs for both INDOT and the contractors because new contracts would not need to be prepared. The specific amounts are indeterminable. The fund affected is the State Highway Fund.

Re-let contracts are not the same as the original contract after it exceeds the engineers estimate. INDOT says that they will materially change the time frames in the contract or some other factor that would change the bids. As a result, a strict comparison between the first contract and the re-let contract is not possible. Some re-let contracts are more than the original; some are less. Re-let contracts as a general rule cost more than the original, according to the INDOT.

Background Information: From January 2005 to November 2007, INDOT let 1,549 contracts, with 316 of those contracts exceeding the engineering estimate and needing to be re-let.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Transportation.

Local Agencies Affected:

Information Sources: Chris Kiefer, Director of Legislative Affairs, INDOT, 317-233-3601.

Fiscal Analyst: James Sperlik, 317-232-9866.